



AGREEMENT

BETWEEN THE

GOVERNMENT OF MALTA

AND THE

GOVERNMENT OF THE FRENCH REPUBLIC

ON THE

RECIPROCAL HOLDING OF SECURITY STOCKS

OF CRUDE OIL, INTERMEDIATE OIL PRODUCTS AND

PETROLEUM PRODUCTS

The Government of Malta and the Government of the French Republic;

Having regard to Council Directive 2006/67/EC of July 24th, imposing an obligation on the Member States of the European Union to maintain minimum stocks of crude oil and/or petroleum products, and in particular to paragraph 1 of article 7 of the Directive which provides for the option of establishing security stocks within the territory of another Member State under individual agreements between Governments which should in particular specify procedures ensuring the identification, control and inspection of those stocks ;

Having regard to national legislations regarding security stocks of petroleum products;

Have agreed as follows:

Article 1

For the purposes of this Agreement:

- a) « **Security stocks** » means stocks of crude oil, intermediate oil products and finished products held in order to meet the requirements of the respective States legislation in force regarding the maintenance of minimum stocks of petroleum products ;
- b) « **Stockholding obligation** » means :
1. **In France** : an obligation to establish and maintain minimum levels of security stocks in accordance with French legislation in force, the current legislation on this subject being as follows :
 - Law n° 92-1443 of 31 December 1992 reforming the legislation on oil ;
 - Code of defense, Articles D1336-47 to D1336-56 ;
 - Decree n° 93-132 of 29 January 1993 as amended on the creation of the Professionnal Committee on Strategic Oil Stocks (CPSSP) ;
 - 15 March 1993 order as amended on the building of oil stocks in metropolitan France.
 2. **In Malta** : an obligation to maintain minimum levels of security stocks in accordance with the Crude Oil and Petroleum Products (Minimum Security Stocks and Crisis Management) Regulations, 2002;
- c) « **Undertaking** » : a French undertaking subject to establishment and maintenance of security stocks or a Maltese undertaking subject to the legislation on maintaining security stocks;
- d) « **Competent authority** » :
1. **In France** : the Minister in charge of hydrocarbons;
 2. **In Malta**: the Minister responsible for Resources.

Article 2

Any undertaking with a stockholding obligation in Malta may hold part of the stocks required for compliance with that obligation in France, subject to both countries' approval, and on condition that they are stored in approved facilities.

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Article 3

For the implementation of the arrangement described in the previous Article, any undertaking shall require the prior approval of the competent authorities, in accordance with the following procedure.

1° Applications should include the following information:

- a) The name and address of the undertaking which is applying for authorisation ;
- b) The nature and volume of the security stocks concerned ;
- c) If the undertaking with the stockholding obligation is not the owner of the security stocks, the name and address of the owner of the stocks who is guaranteeing coverage of the stockholding obligation ;
- d) The name and address of the company operating the depot or facility where the security stocks in question are to be held, as well as the precise storage location and the reference numbers of the tanks which are to be used ;
- e) The period for which the authorisation is requested, which must be no less than one calendar quarter (three calendar months) ;
- f) The details of the customs and tax regimes under which the stocks will be held ;

2° After examining the application addressed by the undertaking to the competent authority of the State in which the stockholding obligation arises, this authority transmit to the competent authority of the State on whose territory the stocks could be held, no later than 30 working days before the start of the period for which authorisation is requested, the particulars specified in paragraph 1° above, concerning the applications it approves.

3° The competent authority of the State on whose territory the security stocks could be held shall communicate its decision to the competent authority of the State on behalf of whom the stocks could be held, no later than 10 working days before the start of the period for which the authorisation is requested.

4° Any change about the particulars specified in paragraph 1° above, will require a new approval.

Article 4

The Government of the State on whose territory security stocks are held under the terms of this Agreement shall not under any circumstances hinder the free movement of any of the stocks mentioned above, to the territory of the other State.

Article 5

Any security stocks held as described in Article 2 shall not be used to comply with any stockholding obligations of the undertaking regarding the laws of the state where the stocks are located. The stocks may only be used to comply with the obligations of the State for whose account they are held, and may only be included in the stock reports of the State for whose account they are held.

Article 6

Any entity holding security stocks on the territory of one of the contracting States on behalf of an undertaking with a stockholding obligation under the legislation of the other State, is required to send the competent authority of the State in which the stocks are held a monthly report of those stocks.

The report must include the following information:

- The name and address of the undertaking with a stockholding obligation ;
- The nature and quantity of the stocks ;
- If the undertaking with the stockholding obligation is not the owner of the security stocks concerned, the name and address of the owner of the stock who is guaranteeing coverage of the stockholding obligation ;
- The name and address of the company operating the depot or facility where the security stocks in question are held, as well as the precise storage location and, the reference numbers of the tanks used.

The competent authority of the State on whose territory the security stocks are located will conduct a check and in the event of any irregularity, shall notify immediately the competent authority of the other State.

Article 7

The competent authority of each contracting State submits to the European Commission, under the terms set in article 7 of Council Directive 2006/67/EC of July 24th, a report concerning stocks covered under this Agreement.

Article 8

An undertaking authorised to locate stocks outside the national territory, can use a quantity of crude oil or petroleum products put at his disposal by an undertaking of the State on whose territory stocks are held, only if the undertaking of the State on whose territory the stocks are held is the legal owner.

The contract between the above undertakings is to be submitted to the competent authorities. It must cover a minimum 90 days period, includes a clause for priority acquiring and shall describe the methodology for establishing the price of such acquisition.

The stocks put at disposal are to be held in accordance with the terms of Article 2 of this agreement.

Article 9

Under this Agreement, the competent authority of one State may ask the competent authority of the other State to undertake any inspection, which the former considers necessary to secure compliance with stockholding obligations. The competent authority of the State to which the request is submitted must comply with that request and as soon as possible send to the competent authority of the other State a report about the checks and their results.

Article 10

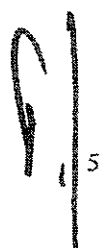
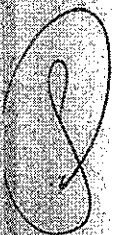
Any failure detected by agents from the State on whose territory security stocks are held on behalf of the other contracting State in virtue of this agreement, will be notified to this latter mentioned State as soon as reasonably possible.

Article 11

Any failure to comply with the minimum security stocks by one of the undertakings regarding the arrangements approved under this agreement, allows the competent authority of the State for whose accounts security stocks are held, if it considers it appropriate, to institute any applicable penalty proceedings under its national law.

In this event, penalties provided under the aforementioned regulations in the contracting States are applied against:

- a) The undertaking if it is the owner of the stocks;
- b) The owner when stocks are put at the disposal of the undertaking.



Article 12

If, in the event of a supply crisis, it appears that either through force majeure or negligence, stocks held by the undertaking are less than the total:

- a) Of the stocks that the undertaking has an obligation to establish and hold or maintain to the benefit of the State to which it has an obligation.
- b) And of the stocks that it committed to hold to the benefit of an undertaking that has an obligation to establish and hold or maintain a security stock in the other State;

the missing quantity shall be divided between the undertakings concerned in proportion to their respective stockholding obligations.

Article 13

At the request of either contracting State, any difficulty arising in the interpretation or application of this Agreement may be the subject of consultations for the purpose of their resolution. In the event of a supply crisis, such consultations shall take place immediately and without delay.

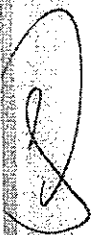
Article 14

If one of the contracting States deems it appropriate to amend a provision in this Agreement, it may invite the other State to discuss such amendment. Discussions must begin no later than sixty days after the request has been received.

The amendments shall take effect by means of the agreement in writing of both contracting States and when each State has notified the other that the amendments are compatible with its national legislation.

Article 15

This Agreement shall continue in force indefinitely but may be terminated by either State upon giving notice in writing no less than three months before the end of any calendar year. The Agreement shall cease to be in force from the first day of the following calendar year. Neither State shall exercise the power of termination during a supply crisis and without having informed the Commission of the European Union of its intention to do so.



Article 16

This Agreement shall enter into force on the date of signature.

In witness whereof the undersigned, being duly authorised thereto, have signed the Agreement.

Done at *Floriana* on this *25th* day of *June* 2012 in two originals in the English and French languages, each text being equally authentic.



For the Government of
Malta

For the Government of
the French Republic

